

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 2  
LOCKPORT LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS  
December 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 18 2012**

***Ann T. Boudreaux***  
Certified Public Accountant  
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# ***Ann T. Hebert***

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## **Accountant's Compilation Report**

To the Board  
Lafourche Parish Fire Protection District No 2  
Lockport, Louisiana

I have compiled the accompanying financial statements of the governmental activities of Lafourche Parish Fire Protection District No 2, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The Board of the Lafourche Parish Fire Protection District No 2 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the Board in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The Board has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled from information that is the representation of the Board. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

I am not independent with respect to Lafourche Parish Fire Protection District No 2.

Respectfully submitted,



Ann T. Boudreaux  
Certified Public Accountant

March 7, 2012

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

STATEMENT OF NET ASSETS

December 31, 2011

Statement A

ASSETS

Cash and cash equivalents	\$ 592,996
Receivables	222,177
Capital assets - net of accumulated depreciation	<u>526,855</u>
Total Assets	<u>\$ 1,342,028</u>

LIABILITIES

Accounts Payable	<u>\$ 1,438</u>
Total Liabilities	<u>\$ 1,438</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 526,855
Unreserved net assets General fund	<u>813,735</u>
Total Net Assets	<u>\$ 1,340,590</u>

See accountant's compilation report and accompanying notes

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2011

Statement B

<u>PROGRAM REVENUES</u>			
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>
<u>EXPENSES</u>			<u>TOTAL</u>
Public Safety - fire protection			
Maintenance	\$ 28,080		\$ 28,080
Supplies & training	20,723		20,723
Utilities	14,091		14,091
Fuel	8,601		8,601
General & Administration	57,220		57,220
Depreciation	70,002		70,002
Other	8,044		8,044
Total governmental activities	<u>\$206,761</u>		<u>\$ 206,761</u>
 <u>GENERAL REVENUES</u>			
Ad valorem taxes			\$ 239,578
Intergovernmental revenues			
State revenue sharing			10,338
State fire insurance rebate			32,093
Interest			2,623
Other			3,986
Total general revenues			<u>288,618</u>
Changes in net assets			81,857
Net assets			
Beginning of the year			<u>1,258,733</u>
End of the year			<u>\$ 1,340,590</u>

See accountant's compilation report and accompanying notes

## *FUND FINANCIAL STATEMENTS*

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

BALANCE SHEET -  
GOVERNMENTAL FUND  
December 31, 2011

Statement C

	<u>Governmental Fund type</u>
<b>ASSETS</b>	
Cash	\$ 592,996
Receivables -	
Ad valorem tax	211,839
Louisiana Revenue sharing	<u>10,338</u>
Total assets	<u>\$ 815,173</u>
 <b>LIABILITIES</b>	
Accounts payable	<u>\$ 1,438</u>
 <b>FUND EQUITY</b>	
Fund balance -	
Committed	230,000
Unreserved	<u>583,735</u>
Total fund equity	<u>813,735</u>
Total liabilities and fund equity	<u>\$ 815,173</u>

See accountant's compilation report and accompanying notes

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2  
RECONCILIATION OF THE GOVERNMENT FUND BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
December 31, 2011

Statement D

Total fund balance - governmental fund (Statement C)	\$	813,735
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The purchase of capital assets are reported as expenditures as they are incurred in the governmental fund. The Statement of Net Assets reports capital assets as an asset to the District. These capital assets are depreciated over their estimated useful lives in the Statement of Activities and are not reported in the governmental fund.

Cost of capital assets	\$ 1,382,051		
Less Accumulated depreciation	<u>(855,196)</u>		
			<u>526,855</u>

Net Assets (Statement A)	\$	<u>1,340,590</u>
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See accountant's compilation report and accompanying notes



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND  
For the year ended December 31, 2011

Statement E

Revenues	
Taxes - ad valorem	\$ 239,578
Intergovernmental -	
State of Louisiana	
Revenue sharing	10,338
Insurance rebate	32,093
Use of money and property	
Interest earned	2,623
Other income	<u>3,986</u>
Total revenue	<u>288,618</u>
Expenditures	
General government -	
Intergovernmental	
Ad valorem tax deductions	8,046
Public safety -	
Operating services	99,390
Material and supplies	29,323
Capital outlay	<u>9,596</u>
Total public safety	<u>138,309</u>
Total expenditures	146,355
Net change in fund balance	<u>142,263</u>
Fund balance, beginning	671,472
Fund balance, ending	<u><u>\$ 813,735</u></u>

See accountant's compilation report and accompanying notes

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
December 31, 2011

Statement F

Net change in fund balance - governmental fund (Statement E) \$ 142,263

Amounts reported for governmental activities in the statement  
of activities (Statement B) are different as follows

Government fund reports capital outlays as expenditures

However, in the statement of activities, the cost of those assets  
are allocated over the estimated useful lives as depreciation  
expense This is the difference between capital expenditures  
and depreciation during the year

(60,406)

Change in net assets of governmental activities (Statement B)

\$ 81,857

See accountant's compilation report and accompanying notes

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Lafourche Parish Fire Protection District No 2 (the District) conform to generally accepted accounting principles as applicable to governments

The following is a summary of certain significant accounting policies

**a REPORTING ENTITY**

The District is a component unit of the Lafourche Parish Council

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements

**b GOVERNMENT - WIDE ACCOUNTING AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statements of net assets and the statement of changes in net assets) report information on all of the activities of the Lafourche Parish Fire Protection District No 2. Governmental activities are normally supported by taxes and intergovernmental revenues

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the funds financial statements

**c MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred regardless of the timing of cash flows. Property taxes are recognized as revenues in the year in which they are assessed. Other revenue is recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

c MEASUREMENT FOCUS AND BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION - continued

Ad valorem taxes and the insurance rebate are considered "measurable" at the time of availability since the timing of their collection coincides with the timing of the expenditures to be paid. Interest income on investments is recorded as revenue when the investments have matured and the income is available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received. Expenditures generally are reported when a liability is incurred, as under accrual accounting.

Revenues and deferred revenues

Ad valorem taxes are recorded on the modified accrual basis and, therefore, recorded when they are both measurable and available. The calendar for 2011 ad valorem tax roll was as follows:

	Service charges
	<u>Ad valorem taxes</u>
Levy date	December 31, 2011
Due date	December 31, 2011
Lien date	January 1, 2012

State revenue sharing revenues are recorded when the District is entitled to the funds.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

Other financing Sources (Uses)

Proceeds from the sale of fixed assets and debt acquired for the construction and purchase of fixed assets (capital project fund) are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

d CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and other investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the Districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

e CAPITAL ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives.

Estimated useful life is management's estimate of how long the asset is estimated to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Building	25 - 40 years
Furniture	5 - 7 years
Equipment	10 - 20 years
Vehicles	5 years

f USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on the Board's knowledge of current events and actions it may undertake in the future, they may differ from actual results.

g BUDGET PRACTICES

The District's procedures in establishing the budgetary data for the financials statements required by the Louisiana Revised Statutes 39:1303 are as follows:

- A proposed budget is submitted by the Chief Executive Officer to the Board no later than fifteen days prior to the beginning of each year.
- After completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board and recorded in the minutes of the District. The board, as allowed by state law, does not obtain public participation in the budget process.

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

g BUDGET PRACTICES - continued

- Budget amendments require the approval of the Board
- A budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles(GAAP) Budgeted amounts are as originally adopted, or as amended from time to time by the Board

h VACATION AND SICK LEAVE

The District has no full-time employees There is no accumulated unpaid vacation at December 31, 2011

The District does not have a sick leave policy

i FUND EQUITY

Government-wide Statement

Equity is classified as net assets and displayed in three components

- a Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets
- b Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governmental, or (2) law through constitutional provisions or enabling legislation
- c Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt "

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed As of December 31, 2011 and for the year then ended, the District did not have or receive restricted net assets

Fund Financial Statements

Governmental fund equity is classified as fund balance Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 2 - DEPOSITS

At December 31, 2011, the District has cash as follows

	<u>Book Balance</u>	<u>Bank Balance</u>
Checking accounts		
Deposits secured by		
Federal deposit insurance	<u>\$ 38,736</u>	<u>\$ 38,736</u>

Collateralized deposits - At year end, there was enough FDIC insurance to secure the book balance and the bank balance. The bank balance indicated above is considered as Category 1 deposits. During the year if the bank balance exceeds the FDIC insurance amount, the District's banking institution will pledge FHLMC securities with a market value in excess of the collateralized deposits needed to secure any remaining balances.

	<u>Carrying Amount</u>	<u>Account Value</u>
Deposits in a pool management by		
Louisiana Asset Management Pool	<u>\$ 554,260</u>	<u>\$ 554,260</u>
Total bank deposits and		
equivalents in financial		
institutes	<u>\$ 592,996</u>	

NOTE 3 - PROPERTY TAXES

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission as percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for collections during the year ended December 31, 2011 was 5.24 mills on property within the Lafourche Parish Fire Protection District No. 2 for the purpose of recreation programs within the District.

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2011 are as follows

Due from Sheriff	
(Collections during December, 2011	
not yet remitted)	\$ 124,721
Ad valorem tax	\$ 87,118
Louisiana revenue sharing	<u>\$ 10,338</u>
	<u>\$ 222,177</u>

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011

NOTE 5 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Trucks	1,159,321	-	-	1,159,321
Equipment	184,574	9,596	240	193,930
Buildings	26,200	-	-	26,200
Non-depreciable	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>2,600</u>
Total	<u>\$ 1,372,695</u>	<u>\$ 9,596</u>	<u>\$ 240</u>	<u>\$ 1,382,051</u>
Accumulated Depreciation	<u>\$ 785,434</u>	<u>\$ 70,002</u>	<u>\$ 240</u>	<u>\$ 855,196</u>

NOTE 6 - COMPENSATION OF BOARD MEMBERS

The District did not pay per diem to any of its Board Members during the year ended December 31, 2011

NOTE 7 - FUND CHANGES AND FUND BALANCES

Amounts for specific purposes by fund balance classifications for the year ended December 31, 2011, are as follows

<u>Classification</u>	<u>Purpose</u>	<u>Amount</u>
Committed	Fire Truck Purchase	\$ 230,000
Unreserved		<u>583,735</u>
		<u>\$ 813,735</u>



**OTHER SUPPLEMENTAL INFORMATION AND REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain a budget comparison schedule and other reports

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET COMPARISON SCHEDULE  
GENERAL FUND

For the Year ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - with Final Budget Positive (Negative)</u>
Revenues				
Taxes - ad valorem	\$ 195,000	\$ 215,000	\$ 239,578	\$ 24,578
Intergovernmental - State of Louisiana				
Revenue sharing	10,218	10,218	10,338	120
Insurance rebate	27,572	32,093	32,093	-
Use of money and property				
Interest earned	3,090	2,250	2,623	373
Other income	45	2,033	3,986	1,953
	<u>235,925</u>	<u>261,594</u>	<u>288,618</u>	<u>27,024</u>
Total revenues				
Expenditures				
General government - Intergovernmental				
Ad valorem tax deductions	6,400	7,700	8,046	(346)
Public safety -				
Operating services	94,420	104,278	99,390	4,888
Material and supplies	30,300	29,885	29,323	562
Capital outlay	50,000	9,596	9,596	-
	<u>174,720</u>	<u>143,759</u>	<u>138,309</u>	<u>5,450</u>
Total public safety				
Total expenditures	<u>181,120</u>	<u>151,459</u>	<u>146,355</u>	<u>5,104</u>
Excess (deficit) revenues over expenditures	<u>54,805</u>	<u>110,135</u>	<u>142,263</u>	<u>32,128</u>
Fund balance, beginning	<u>671,472</u>	<u>671,472</u>	<u>671,472</u>	<u>-</u>
Fund balance, ending	<u>\$ 726,277</u>	<u>\$ 781,607</u>	<u>\$ 813,735</u>	<u>\$ 32,128</u>

See accountant's compilation report and accompanying notes

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## OTHER REPORTS

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# ***Ann T. Boudreaux***

Certified Public Accountant  
901 Ridgefield Road  
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(985) 446-0994

## **LETTER OF FINDINGS**

**LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO 2**  
**For the Current Year Ended December 31, 2011**

**March 7, 2012**

**No current year findings**

**No prior year findings**